

**OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF COMPTON**

STAFF REPORT

DATE: JANUARY 27, 2016

TO: THE HONORABLE CHAIR AND BOARD MEMBERS

FROM: EXECUTIVE DIRECTOR

SUBJECT: APPROVAL OF THE SUCCESSOR AGENCY'S ADMINISTRATIVE BUDGETS
FOR THE SIX-MONTH FISCAL PERIODS OF JULY 1, 2016 THROUGH
DECEMBER 31, 2016 AND JANUARY 1, 2017 THROUGH JUNE 30, 2017

SUMMARY

Staff respectfully requests the Board to adopt Resolution No. 2016-4 approving the Successor Agency's administrative budgets for the six-month fiscal periods from July 1, 2016 through December 31, 2016 and January 1, 2017 through June 30, 2017.

BACKGROUND

Pursuant to Section 34177(j) of the California Health and Safety Code ("HSC"), the Successor Agency is required to prepare a proposed administrative budget for each six-month fiscal period, which must be submitted to the Oversight Board for approval.

STATEMENT OF THE ISSUE

The Successor Agency is required to prepare a proposed administrative budget for each six-month fiscal period, which must be submitted to the Oversight Board for approval. HSC Section 34177 is unclear regarding the required timing for the submission of the proposed administrative budgets to the Oversight Board. However, because the Successor's Agency's administrative expenditures also have to be reflected on the Successor Agency's Recognized Obligation Payment Schedules ("ROPS"), the administrative budgets have been included in the ROPS for the annual period from July 1, 2016 through June 30, 2017 (ROPS 16-17). Previously, the Successor Agency was required to prepare a ROPS for each six-month fiscal period (from July 1 through December 31, and from January 1 through June 30, respectively). SB 107, which was enacted in September 2015, amended HSC Section 34177, to provide that, beginning with fiscal year 2016-17, the Successor Agency must prepare a ROPS annually (instead of twice a year). HSC Section 34177(o) provides that the Successor Agency must submit an Oversight Board-approved ROPS 16-17 to the State Department of Finance ("DOF") and the County Auditor-Controller no later February 1, 2016. ROPS 16-17 is being presented to the Oversight Board for

consideration and approval at this meeting pursuant to a separate resolution. Pursuant to HSC Section 34179(h)(1), which was added by SB 107, Oversight Board resolutions approving the Successor Agency's administrative budgets are no longer required to be submitted to the DOF for approval.

ANALYSIS

Under HSC Section 34171(b), the "Administrative Cost Allowance" is the maximum amount of administrative costs that may be paid by the Successor Agency from property tax revenues allocated by the County Auditor-Controller (i.e., disbursements from Redevelopment Property Tax Trust Fund (RPTTF)). The Successor Agency's annual administrative costs (except for administrative costs paid from bond proceeds or grant funds) must not exceed 50 percent of the total RPTTF moneys distributed to pay enforceable obligations in the preceding fiscal year (which amount is to be reduced by the Successor Agency's Annual Administrative Cost Allowance). Subject to the foregoing, commencing July 1, 2016, and for each fiscal year thereafter, the Administrative Cost Allowance is the greater of: (i) \$250,000, or (ii) 3 percent of the actual property tax distributed to the Successor Agency by the County Auditor-Controller in the preceding fiscal year for payment of approved enforceable obligations, reduced by the Successor Agency's Administrative Cost Allowance.

FISCAL IMPACT

The preparation and submittal of the administrative budgets included within ROPS 16-17 is for the purpose of allowing the Successor Agency to pay its administrative expenses for the period from July 1, 2016 to June 30, 2017.

ENVIRONMENTAL IMPACT

There will be no new environmental impact associated with adoption of the attached Resolution.

RECOMMENDATION

Staff respectfully requests the Board to adopt Resolution No. 2016-4 approving the Successor Agency's administrative budgets for the period from July 1, 2016 through June 30, 2017.

Respectfully Submitted,

DR. KOFI SEFA-BOAKYE
MANAGER

ROGER HALEY
EXECUTIVE DIRECTOR

RESOLUTION NO. 2016-4

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON APPROVING THE SUCCESSOR AGENCY’S ADMINISTRATIVE BUDGETS FOR THE SIX-MONTH FISCAL PERIODS OF JULY 1, 2016 THROUGH DECEMBER 31, 2016 AND JANUARY 1, 2017 THROUGH JUNE 30, 2017

WHEREAS, pursuant to Health and Safety Code Section 34177(j), the Successor Agency to the Community Redevelopment Agency of the City of Compton (the “Successor Agency”) must prepare an administrative budget for each six-month fiscal period (commencing each January 1 and July 1) and submit each administrative budget to the oversight board for the Successor Agency (the “Oversight Board”) for approval; and

WHEREAS, the Successor Agency’s proposed administrative budgets for the six-month fiscal periods from July 1, 2016 through December 31, 2016 and from January 1, 2017 through June 30, 2017 have been presented to the Oversight Board as part of the Recognized Obligation Payment Schedule for the fiscal period from July 1, 2016 through June 30, 2017 (ROPS 16-17);

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

Section 1. That the above recitals are hereby true and correct and are a substantive part of this resolution.

Section 2. The Oversight Board hereby approves the administrative budgets incorporated within ROPS 16-17 substantially in the form on file in the office of the Successor Agency.

Section 4. That the officers and staff of the Oversight Board and the Successor Agency staff are hereby authorized and directed, jointly and severally, to do any and all things necessary to effectuate this resolution and the administrative budgets and any such actions previously taken by such officers and staff are hereby ratified and confirmed.

Section 5. That a certified copy of this resolution shall be filed in the offices of the Executive Director of the Successor Agency, City Attorney and Clerk to the Successor Agency Board.

ADOPTED this ____ day of _____, 2016.

**CHAIRPERSON OF THE OVERSIGHT BOARD
OF THE SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF COMPTON**

ATTEST:

**SECRETARY TO THE OVERSIGHT BOARD
OF THE SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF COMPTON**

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF COMPTON)

I, Estevan Padilla, Secretary to the Oversight Board to the Successor Agency to the Community Redevelopment Agency of the City of Compton, hereby certify that the foregoing resolution was adopted by the Board, signed by the Chairperson, and attested by the Secretary at the regular meeting thereof held on the _____ day of _____, 2016.

That said resolution was adopted by the following vote, to wit:

AYES: BOARD MEMBERS -
NOES: BOARD MEMBERS -
ABSENT: BOARD MEMBERS -

**SECRETARY TO THE OVERSIGHT BOARD
OF THE SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF COMPTON**